



JUMBO GROUP LIMITED

(Company Registration Number: 201503401Z)

Condensed Interim Consolidated Financial Statements

For the six months ended 31 March 2022 ("1H2022")

This announcement has been prepared by Jumbo Group Limited (the "Company") and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst (the "Catalist Rules"). This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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A. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group		
		6 months ended		Change
		31 March		
		2022	2021	
		\$'000	\$'000	%
Revenue	4	49,591	45,407	9.2
Cost of sales		(18,318)	(16,954)	8.0
Gross profit		31,273	28,453	9.9
Other income		1,310	3,327	(60.6)
Employee benefits expenses		(18,387)	(17,576)	4.6
Operating lease expenses		(772)	(630)	22.5
Utilities expenses		(1,647)	(1,517)	8.6
Depreciation and amortisation:				
- Property, plant and equipment		(2,961)	(3,584)	(17.4)
- Right-of-use assets		(6,117)	(6,028)	1.5
- Intangible assets		(14)	(14)	-
Interest expense:				
- Leases		(495)	(386)	28.2
- Loans		(199)	(58)	N.M.
Other operating expenses		(6,411)	(5,867)	9.3
Share of results of associates		-	(344)	(100.0)
Loss before tax	6	(4,420)	(4,224)	4.6
Income tax expense	7	(16)	(36)	(55.6)
Loss for the period		(4,436)	(4,260)	4.1
Other comprehensive income for the period:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences arising on translation of foreign operations		204	282	(27.7)
Other comprehensive income for the period, net of tax		204	282	(27.7)
Total comprehensive loss for the period		(4,232)	(3,978)	3.9
Loss for the period, attributable to:				
Owners of the Company		(4,475)	(4,288)	4.4
Non-controlling interests		39	28	39.3
		(4,436)	(4,260)	4.1
Total comprehensive loss for the period, attributable to:				
Owners of the Company		(4,118)	(4,020)	2.4
Non-controlling interests		(114)	42	N.M.
		(4,232)	(3,978)	6.4
Loss per share (cents)				
Basic and diluted	20	(0.7)	(0.7)	-

N.M. : Not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 31 March 2022 \$'000	As at 30 September 2021 \$'000	As at 31 March 2022 \$'000	As at 30 September 2021 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		14,806	20,462	330	5,410
Trade and other receivables		11,934	11,535	24	14
Short-term investments	10	14,615	8,847	4,776	4,992
Inventories		2,406	2,289	-	-
Total current assets		43,761	43,133	5,130	10,416
Non-current assets					
Due from subsidiaries		-	-	41,450	37,154
Investment in associates		735	735	-	-
Investment in subsidiaries		-	-	5,424	5,424
Other investments		333	325	-	-
Investments at fair value through profit or loss	11	2,119	2,629	-	-
Goodwill	12	3,417	3,466	-	-
Intangible assets	13	466	480	-	-
Right-of-use assets		23,756	23,360	-	-
Property, plant and equipment		20,990	23,817	-	-
Club memberships		238	238	-	-
Deferred tax assets	14	3,781	3,781	-	-
Total non-current assets		55,835	58,831	46,874	42,578
Total assets		99,596	101,964	52,004	52,994
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables		11,827	11,012	169	222
Provision for reinstatement costs	15	3,614	3,534	-	-
Lease liabilities	16	9,346	10,576	-	-
Bank borrowings	17	4,474	4,491	970	960
Total current liabilities		29,261	29,613	1,139	1,182
Non-current liabilities					
Lease liabilities	16	13,349	14,411	-	-
Bank borrowings	17	14,149	10,858	3,552	4,040
Deferred tax liability		-	13	-	-
Total non-current liabilities		27,498	25,282	3,552	4,040
Capital and reserves					
Share capital	18	49,436	49,436	49,436	49,436
Treasury shares	19	(405)	(405)	(405)	(405)
Currency translation reserve		531	174	-	-
Merger reserve		(2,828)	(2,828)	-	-
Accumulated losses		(6,245)	(1,770)	(1,718)	(1,259)
Equity attributable to owners of the Company		40,489	44,607	47,313	47,772
Non-controlling interests		2,348	2,462	-	-
Total equity		42,837	47,069	47,313	47,772
Total liabilities and equity		99,596	101,964	52,004	52,994

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group (\$'000)	Share capital	Treasury shares	Currency translation reserve	Merger reserve	Retained earnings / (Accumulated losses)	Equity attributable to owners of the Company	Non-controlling interests	Total
Balance at 1 October 2020	48,806	(438)	(191)	(2,828)	9,994	55,343	1,983	57,326
Total comprehensive income for the period:								
Loss for the period	-	-	-	-	(4,288)	(4,288)	28	(4,260)
Other comprehensive income	-	-	192	-	-	192	14	206
Transactions with owners, recognised directly in equity:								
Acquisition of a subsidiary	315	-	-	-	-	315	-	315
Reissue of treasury shares	-	33	-	-	-	33	-	33
Capital contribution from non-controlling interest in a subsidiary	-	-	-	-	-	-	4	4
Balance at 31 March 2021	49,121	(405)	1	(2,828)	5,706	51,595	2,029	53,624
Balance at 1 October 2021	49,436	(405)	174	(2,828)	(1,770)	44,607	2,462	47,069
Total comprehensive income for the period:								
Loss for the period	-	-	-	-	(4,475)	(4,475)	39	(4,436)
Other comprehensive income	-	-	357	-	-	357	(153)	204
Balance at 31 March 2022	49,436	(405)	531	(2,828)	(6,245)	40,489	2,348	42,837

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company (\$'000)	Share capital	Treasury shares	Retained earnings / (Accumulated losses)	Total
Balance at 1 October 2020	48,806	(438)	(778)	47,590
Total comprehensive loss for the period				
Loss for the period	-	-	(264)	(264)
Transactions with owners, recognised directly in equity:				
Acquisition of a subsidiary	315	-	-	315
Reissue of treasury shares	-	33	-	33
Balance at 31 March 2021	49,121	(405)	(1,042)	47,674
Balance at 1 October 2021	49,436	(405)	(1,259)	47,772
Total comprehensive loss for the period				
Loss for the period	-	-	(459)	(459)
Balance at 31 March 2022	49,436	(405)	(1,718)	47,313

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	6 months ended 31 March 2022 \$'000	2021 \$'000
Operating activities		
Loss before income tax	(4,420)	(4,224)
Adjustments for:		
Depreciation expense	2,961	3,584
Depreciation of right-of-use assets	6,117	6,028
Amortisation of intangible assets	14	14
Interest expense: leases	495	386
Interest expense: bank borrowings	199	58
Interest income	(169)	(12)
Loss on disposal of property, plant and equipment	44	-
Fair value loss/(gain) on investments at fair value through profit or loss	502	(166)
Fair value loss/(gain) on short-term investments	328	(135)
Rental rebate and concessions	(993)	-
Share of results of associates	-	344
Share-based payment expense	-	33
Unrealised foreign exchange loss	137	222
Operating cash flows before movements in working capital	5,215	6,132
Trade and other receivables	(399)	887
Inventories	(117)	717
Trade and other payables	(180)	(382)
Cash generated from operations	4,519	7,354
Interest income received	169	12
Interest paid	(694)	(444)
Income tax paid	(29)	(746)
Net cash from operating activities	3,965	6,176
Investing activities		
Acquisition of property, plant and equipment	(2,092)	(1,642)
Acquisition of a subsidiary	-	(735)
Acquisition of short-term investments	(6,096)	-
Additions to non-current assets	-	(1,628)
Proceeds from disposal of property, plant and equipment	223	-
Reinstatement cost paid	(17)	-
Net cash used in investing activities	(7,982)	(4,005)
Financing activities		
Proceeds from bank borrowings	5,000	5,000
Repayment of bank borrowings	(1,726)	(521)
Repayment of lease obligations	(5,046)	(6,131)
Capital contribution from non-controlling interest in subsidiaries	-	4
Net cash used in financing activities	(1,772)	(1,648)
Net (decrease)/increase in cash and cash equivalents	(5,789)	523
Cash and cash equivalents at beginning of the period	20,462	27,745
Effect of foreign exchange rate changes	133	-
Cash and cash equivalents at end of the period	14,806	28,268

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Jumbo Group Limited (Registration No. 201503401Z) (the “Company” and, together with its subsidiaries, the “Group”) is incorporated in Singapore with its principal place of business and registered office at 4 Kaki Bukit Avenue 1, #03-08, Singapore 417939. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the Group are:

- (a) operation and management of restaurants;
- (b) manufacturer of food stuff; and
- (c) investment holding.

2. Basis of preparation

The condensed interim consolidated financial statements for 1H2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the financial year ended 30 September 2021.

The accounting policies adopted are consistent with those of the latest audited financial statements for the financial year ended 30 September 2021 which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Singapore dollars which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

The Group has adopted the same accounting policies and methods of computation in the condensed interim financial statements as compared to the most recently audited financial statements for the financial year ended 30 September 2021, as well as applicable new and revised SFRS(I) which became effective for financial years beginning on or after 1 October 2021. The adoption of the applicable new and revised SFRS(I) did not require any significant change to the accounting policies, measurement methods or make retrospective adjustments as a result of adopting those SFRS(I).

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the financial year ended 30 September 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

- a) Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts.
- b) Deferred income tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.
- c) Impairment of property, plant and equipment and right-of-use asset of non-performing outlets.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

4.1 Disaggregation of revenue

	Group	
	6 months ended 31 March	
	2022	2021
	\$'000	\$'000
At a point in time:		
Sale of food and beverages	49,255	44,817
Franchise income	80	205
Over time:		
Royalty income	256	385
Total revenue	49,591	45,407
Geographical information:		
Singapore	30,042	26,279
People's Republic of China ("PRC")	16,852	15,089
Taiwan	2,697	4,039
	49,591	45,407

5. Financial assets and financial liabilities

The following table sets out the financial instruments as at 31 March 2022 and 30 September 2021:

	Group		Company	
	31 March 2022	30 September 2021	31 March 2022	30 September 2021
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at amortised cost	24,740	29,303	41,804	42,564
Financial assets at fair value through other comprehensive income ("FVTOCI"):				
Equity instruments designated as at FVTOCI	75	75	-	-
Debt instruments classified as at FVTOCI	250	250	-	-
Financial assets measured at fair value through profit or loss ("FVTPL")	16,734	11,476	4,776	4,992
Financial liabilities				
Financial liabilities at amortised cost	25,432	22,774	4,691	5,222
Lease liabilities	22,695	24,987	-	-

6. Loss before taxation

	Group	
	6 months ended 31 March	
	2022	2021
	\$'000	\$'000
Income		
Interest income	104	12
Jobs support scheme	513	1,724
Rental rebates and concessions	993	520
Fair value (loss)/gain on investments at FVTPL classified under other income	(510)	166
Fair value (loss)/gain on short-term investments	(328)	135
Property, plant and equipment written off	(44)	-
Expenses		
Credit card and delivery commission	984	811
General supplies	895	926
Cleaning services, repairs and maintenance	1,065	1,090
Professional fees	607	448
Transportation fees	185	238
Marketing expense	744	611
Insurance	211	284

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	Group	
	31 March 2022	31 March 2021
	\$'000	\$'000
Tax expense comprises:		
Current tax		
- Current period	-	35
- Overprovision in respect of prior years	-	(18)
Withholding tax	16	19
	<u>16</u>	<u>36</u>

8. Net asset value ("NAV")

	Group		Company	
	As at		As at	
	31 March 2022	30 September 2021	31 March 2022	30 September 2021
NAV attributable to owners of the Company (\$'000)	40,489	44,607	47,313	47,772
Number of shares ('000)	642,320	642,320	642,320	642,320
NAV per share (cents)	<u>6.3</u>	<u>6.9</u>	<u>7.4</u>	<u>7.4</u>

9. Financial assets at fair value through other comprehensive income

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

<u>Group</u>	<u>Total</u> \$'000	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000
Financial assets				
31 March 2022				
Other investments				
- Debt instruments classified as at FVTOCI	258	258	-	-
- Equity instruments designated as at FVTOCI	75	-	-	75
Financial assets at fair value through profit or loss:				
- Structured deposits	7,466	-	-	7,466
- Equity investments	8,747	-	-	8,747
- Quoted equity shares	521	521	-	-
30 September 2021				
Other investments				
- Debt instruments classified as at FVTOCI	250	250	-	-
- Equity instruments designated as at FVTOCI	75	-	-	75
Financial assets at fair value through profit or loss:				
- Structured deposits	3,371	-	-	3,371
- Equity investments	7,621	-	-	7,621
- Quoted equity shares	484	484	-	-

10. Short-term investments

	<u>Group</u>	
	<u>31 March</u> <u>2022</u>	<u>30 September</u> <u>2021</u>
	\$'000	\$'000
Financial assets mandatorily measured at FVTPL:		
Held for trading non-derivative financial assets		
- Structured deposits	7,466	3,371
- Equity instruments	6,628	4,992
- Quoted equity shares	521	484
	<u>14,615</u>	<u>8,847</u>

11. Investments at fair value through profit or loss

	Group	
	31 March 2022	30 September 2021
	\$'000	\$'000
Equity investments	2,629	3,109
Fair value loss included in profit or loss for the period/year as part of other income	(510)	(480)
	2,119	2,629

12. Goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (“CGU”) that are expected to benefit from that business combination.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

	Group \$'000
Cost:	
At 1 October 2020	1,621
Arising from acquisition of Kok Kee Wanton Noodle Pte Ltd in Singapore	1,814
Exchange gain	31
At 30 September 2021	3,466
Exchange loss	(49)
At 31 March 2022	3,417

The carrying amount of goodwill is allocated to the respective CGUs:

	Group	
	31 March 2022	30 September 2021
	\$'000	\$'000
CGUs:		
Ng Ah Sio Investments Pte. Ltd.	782	782
JUMBO Seafood business in Taiwan	821	870
Kok Kee Wanton Noodle Pte Ltd	1,814	1,814
Total	3,417	3,466

The recoverable amount of each CGU is determined from a value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

12. Goodwill (cont'd)

Cash flow projections used in the value-in-use calculations were based on the most recent financial budgets approved by management for the next five years.

For 1H2022 and the financial year ended 30 September 2021, management has assessed that no allowance for impairment was required.

13. Intangible assets

<u>Group</u>	<u>Franchise rights \$'000</u>	<u>Trademark \$'000</u>	<u>Total \$'000</u>
Cost:			
At 1 October 2020	246	-	246
Acquired on acquisition of Kok Kee Wanton Noodle Pte Ltd in Singapore	-	285	285
Exchange gain	6	-	6
At 30 September 2021 and 31 March 2022	252	285	537
Amortisation:			
At 1 October 2020	29	-	29
Amortisation for the year	28	-	28
At 30 September 2021	57	-	57
Amortisation for the period	14	-	14
At 31 March 2022	71	-	71
Carrying amount:			
At 31 March 2022	181	285	466
At 30 September 2021	195	285	480

14. Deferred tax assets

Deferred income tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

15. Provision for reinstatement costs

	<u>Group</u>	
	<u>31 March 2022 \$'000</u>	<u>30 September 2021 \$'000</u>
At beginning of period/year	3,534	1,989
Provision during the period/year	80	1,598
Utilisation of provision	(17)	(76)
Exchange difference	17	23
At end of period/year	3,614	3,534

16. Lease liabilities

	Group	
	31 March 2022 \$'000	30 September 2021 \$'000
Maturity analysis:		
Year 1	10,071	11,372
Year 2	5,905	6,747
Year 3	2,920	3,353
Year 4	1,679	1,551
Year 5 onwards	3,989	4,106
	<u>24,564</u>	<u>27,129</u>
Less: Future charges	(1,869)	(2,142)
	<u>22,695</u>	<u>24,987</u>
Analysed as:		
Current	9,346	10,576
Non-current	13,349	14,411
	<u>22,695</u>	<u>24,987</u>

17. Bank borrowings

	Group		Company	
	31 March 2022 \$'000	30 September 2021 \$'000	31 March 2022 \$'000	30 September 2021 \$'000
<u>Unsecured – at amortised cost</u>				
Bank loans	18,623	15,349	4,522	5,000
Less: Amount due for settlement within 12 months (shown under current liabilities)	(4,474)	(4,491)	(970)	(960)
Amount due for settlement after 12 months	<u>14,149</u>	<u>10,858</u>	<u>3,552</u>	<u>4,040</u>

As at 31 March 2022 and 30 September 2021, the Group's unsecured borrowings comprise external bank loans, for tenures ranging from 3 months to 5 years and bear an average effective interest rate of between 2.00% to 2.01% per annum.

As at 31 March 2022 and 30 September 2021, the Group does not have any secured borrowings or collaterals.

18. Share capital

	Group and Company			
	31 March 2022	30 September 2021	31 March 2022	30 September 2021
	Number of shares		\$'000	\$'000
Issued and paid up:				
At the beginning of the period/year	643,658,465	641,833,000	49,436	48,806
Issue of shares for:				
- Consideration paid for acquisition of a subsidiary	-	1,825,465	-	630
	643,658,465	643,658,465	49,436	49,436

On 5 January 2021 and 19 July 2021, the Company issued new ordinary shares of 882,352 and 943,113 respectively in satisfaction of the first and second tranche of the consideration for the acquisition of 75% of the issued and paid-up share capital of Kok Kee Wanton Noodle Pte Ltd. The number of shares issued are determined based on the average of the closing market prices of the Company's shares over the last five market days before the respective share issue date.

There were no outstanding convertibles and subsidiary holdings held by the Company as at 31 March 2022 and 31 March 2021.

19. Treasury shares

	Group and Company			
	2022	2021	2022	2021
	Number of shares		\$'000	\$'000
As at 1 October	1,338,100	1,446,600	405	438
Reissue of treasury shares	-	(108,500)	-	(33)
As at 31 March	1,338,100	1,338,100	405	405

The number of shares held as treasury shares by the Company as at 31 March 2022 and 30 September 2021 were 1,338,100, representing 0.21% of the total number of issued shares excluding treasury shares that was listed as at the respective dates.

	As at 31 March 2022	As at 30 September 2021
Total number of issued shares excluding treasury shares	642,320,365	642,320,365

20. Loss per share

The calculation of the loss per share is based on the following data:

	Group	
	6 months ended 31 March	
	2022	2021
	\$'000	\$'000
Loss attributable to owners of the Company (\$'000)	(4,475)	(4,288)
Weighted average number of shares ('000)	642,320	641,081
Loss per share – Basic and diluted (cents)	(0.7)	(0.7)

There were no dilutive equity instruments outstanding as at 31 March 2022 and 31 March 2021.

The weighted average number of shares used for the calculation of loss per share for the comparatives have been adjusted for the weighted average effect of changes in treasury shares transactions during the financial period.

21. Subsequent events

There are no known subsequent events after the financial period which have led to adjustments to this set of condensed interim financial statements.

F. Other information required by Appendix 7C of the Catalist Rules

1. Review

The condensed interim consolidated statement of financial position of the Group as at 31 March 2022 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for 1H2022 and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Revenue

Although the COVID-19 pandemic situation remained volatile for 1H2022, the Group's revenue rose 9.2% or \$4.2 million, from \$45.4 million for the six months ended 31 March 2021 ("1H2021") to \$49.6 million in 1H2022.

The emergence of the Omicron variant in the last quarter of 2021 effectively derailed the world from the path to recovery from COVID-19. Correspondingly, Singapore, the Group's biggest market, wound back on COVID-19 relaxation measures, specifically the social gathering size, which had a visible impact on the food and beverage ("F&B") sector. For the Chinese New Year period, dine-in size was capped at 5-pax, compared to 8-pax during the same period last year, which limited the upside potential on revenue for the festive period. Accordingly, revenue from Zui Teochew Cuisine fell by 10.1% compared to 1H2021 as the concept is geared towards big group communal sharing. However, the Group's key anchor brand, namely JUMBO Seafood, improved by a marginal 3.0% compared to 1H2021 despite the dining restrictions. Separately, our steadfast approach to diversify and broaden our product offerings has gained good traction, with Kok Kee Wonton Noodle brand contributing an increase of \$2.1 million from 1H2021, mainly from the addition of new outlets, while the brands, JUMBO Signatures, Slake and Hack It, brought in an incremental revenue of \$2.1 million compared to 1H2021. Revenue from our Singapore operations, as a result, grew an encouraging 14.3% or \$3.8 million from \$26.3 million in 1H2021 to \$30.0 million in 1H2022.

Revenue from the Shanghai outlets have been relatively flat for 1H2022, compared to 1H2021. However, our new JUMBO Seafood outlet at Universal Beijing Resort ("UBR") contributed an additional \$2.3 million revenue to the PRC operations in 1H2022. As such, revenue from our PRC operations increased by 11.7% or \$1.8 million to \$16.9 million in 1H2022, from \$15.1 million in 1H2021.

With the closure of our Taichung JUMBO Seafood outlet in September 2021, revenue from our Taiwan operations has fallen by 33.2% or \$1.3 million from \$4.0 million in 1H2021 to \$2.7 million in 1H2022. This is despite an increase in revenue of 11.1% or \$0.3 million for our Taipei outlet.

Cost of sales

Cost of sales, which comprised raw materials and consumables, increased by 8.0% or \$1.3 million, from \$17.0 million in 1H2021 to \$18.3 million in 1H2022, in-line with the increase in revenue.

Gross profit

Gross profit increased by 9.9% or \$2.8 million, from \$28.5 million in 1H2021 to \$31.3 million in 1H2022. Gross profit margin improved slightly to 63.1% in 1H2022 from 62.7% in 1H2021, as the Group stabilised its cost of purchases and marketing and promotional efforts.

Other information required by Appendix 7C of the Catalyst Rules

Other income

Other income decreased by 60.6% or \$2.0 million, from \$3.3 million in 1H2021 to \$1.3 million in 1H2022. This was primarily attributed to the lower grants from the Jobs Support Scheme by the Singapore Government, which amounted to \$0.5 million in 1H2022 compared to \$1.7 million in 1H2021. In addition, the Group recorded fair value loss on short-term investments and investments at fair value through profit or loss of \$0.8 million in aggregate in 1H2022 as compared to a fair value gain of \$0.3 million in aggregate in 1H2021.

Employee benefits expenses

Employee benefits expenses increased by 4.6% or \$0.8 million from \$17.6 million in 1H2021 to \$18.4 million in 1H2022, mainly due to bonus payment in 1H2022 compared to no bonus payout in 1H2021.

Operating lease expenses

Operating lease expenses increased by 22.5% or \$0.1 million, from \$0.6 million in 1H2021 to \$0.7 million in 1H2022 due to the increase in number of outlets.

Utilities expenses

Utilities expenses increased by 8.6% or \$0.1 million, from \$1.5 million in 1H2021 to \$1.6 million in 1H2022, which is in line with the increase in revenue and the number of outlets.

Depreciation and amortisation

Depreciation expense for property, plant and equipment decreased by 17.4% or \$0.6 million, from \$3.6 million in 1H2021 to \$3.0 million in 1H2022, mainly due to renovation costs of JUMBO Seafood outlet in IAPM Mall Shanghai being fully depreciated in FY2021.

Depreciation expense for right-of-use assets increased marginally by 1.5% or \$0.1 million to \$6.1 million in 1H2022.

Interest expense

Interest expense for leases increased by 28.2% or \$0.1 million from \$0.4 million in 1H2021 to \$0.5 million in 1H2022, mainly due to the new JUMBO Seafood outlet in UBR and new JUMBO Signatures outlet in The Shoppes at Marina Bay Sands ("MBS").

Interest expense for loans increased mainly due to a higher level of temporary bridging loans drawn down for working capital purpose in 1H2022.

Other operating expenses

Other operating expenses increased by 9.3% or \$0.5 million to \$6.4 million in 1H2022 mainly due to the new JUMBO Seafood outlet in UBR and new JUMBO Signatures outlet in MBS.

Share of results of associates

The share of loss in associates in 1H2021 of \$0.4 million was largely attributed to the subdued performance and eventual closure of Singapore Seafood Republic outlet at Sentosa.

Loss attributable to owners of the Company

As a result of the above, loss attributable to owners of the Company stood at \$4.5 million for 1H2022 compared to \$4.3 million in 1H2021.

Other information required by Appendix 7C of the Catalyst Rules

REVIEW OF THE GROUP'S FINANCIAL POSITION

Current assets

The Group's current assets increased by \$0.6 million to \$43.8 million as at 31 March 2022, largely due to:

- i. an increase in short-term investments of \$5.8 million, as the Group placed contingent funds from bank borrowings to bank managed funds, which are pending deployment to operations or investments, to generate returns to offset interest expense in the interim;
- ii. an increase in trade and other receivables of \$0.4 million mainly due to more revenue recorded at the end of March 2022 which resulted in higher trade receivables;
- iii. an increase in inventories of \$0.1 million; and partially offset by
- iv. a decrease in cash and cash equivalents of \$5.7 million during the period.

Non-current assets

The Group's non-current assets decreased by \$3.0 million to \$55.8 million as at 31 March 2022, largely due to:

- i. a decrease in property, plant and equipment of \$2.8 million mainly due to depreciation during the period;
- ii. a decrease in investments at FVTPL of \$0.5 million due to mark-to-market losses; and partially offset by
- iii. an increase in right-of-use assets of \$0.4 million due to the new outlets, including JUMBO Signatures at MBS and 3 new Kok Kee Wonton Noodles outlets.

Current liabilities

The Group's current liabilities decreased by \$0.4 million to \$29.2 million as at 31 March 2022 mainly due to:

- i. a decrease in short-term lease liabilities of \$1.2 million mainly due to lower lease renewals during the period; and partially offset by
- ii. an increase in trade and other payables of \$0.8 million relating mainly to payables to suppliers.

Non-current liabilities

The Group's non-current liabilities increased by \$2.2 million to \$27.5 million as at 31 March 2022, mainly attributed to an increase in bank borrowings of \$3.3 million drawn down for working capital, and partially offset by a decrease in long-term lease liabilities of \$1.1 million.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

The Group generated net cash from operating activities before movements in working capital of \$5.2 million for 1H2022. Net cash used in operations amounted to \$0.7 million due to an increase in trade and other receivables of \$0.4 million, an increase in inventories of \$0.1 million and a decrease in trade and other payables of \$0.2 million. Including the \$0.7 million paid for interest, net cash generated from operating activities was \$4.0 million for 1H2022.

Net cash used in investing activities amounted to \$8.0 million mainly due to:

- i. acquisition of property, plant and equipment of \$2.1 million, of which \$1.3 million was for the new Jumbo Signatures outlet at MBS and the remaining on renovation of new and existing outlets, namely the Kok Kee Wonton Noodles outlets and Slake outlet in Singapore; and
- ii. \$6.1 million deployed to short-term investments to generate returns to offset interest expense on bank borrowings.

Net cash used in financing activities for 1H2022 of \$1.8 million was mainly from the repayment of lease obligations of \$5.0 million and repayment of bank borrowings of \$1.7 million and partially offset by the drawn down of \$5.0 million bank borrowings from DBS bank.

As a result, cash and cash equivalents decreased by \$5.8 million during the financial period to \$14.8 million as at 31 March 2022.

Other information required by Appendix 7C of the Catalyst Rules

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The Singapore Government lifted most of the COVID-19 measures, effective from 26 April 2022. In particular, the removal of social group size limit and safe distancing requirements will effectively increase the total capacity, and hence increase the revenue generating potential of our outlets. Allowing 100% of workforce to return to workplace offers even more optimism for our outlets located within the CBD district. Dispensing with the capacity limits for events will also likely help boost volumes for our events and catering business. Separately, the Group is excited and looking forward to welcome overseas travellers with the further relaxation of borders controls.

The above measures are expected to provide significant uplift to our business, boosting customer flows in all our three key market segments – tourists, business crowds and locals. Pickup in footfall and revenue are already visible, particularly for our principal brands, namely JUMBO Seafood and Zui Teochew Cuisine.

Since the start of the financial year ending 30 September 2022, as part of the Group's strategy to expand our offerings and diversify our income, we have added 5 more Kok Kee Wonton Noodles outlets across the island and launched our new premium dining concept, JUMBO Signatures at MBS. These new outlets are gradually building up their customer base contributing towards the Group's revenue. We are hopeful that with the uptick in demand for dining out alongside the pickup in consumer sentiments in Singapore, we will be able to see encouraging recovery in our business volume.

The Group, however, is mindful of the pandemic situation in the PRC, specifically in Shanghai and Beijing, where most of our outlets are located. Revenue from the PRC has seen a sharp dip and is expected to remain lacklustre until the outbreak of COVID-19 cases in these key cities stabilises.

We added a third franchise outlet in Vietnam in May 2022 and is in negotiations on further franchise arrangements in Indo-China region. Barring any tightening and extension of pandemic controls, the Group is cautiously optimistic of a rebound in business performance going forward.

Other information required by Appendix 7C of the Catalyst Rules

5. Dividend information

5a Whether an interim (final) ordinary dividend has been declared (recommended)

No dividend has been declared for the current financial period reported on.

5b Amount per share and corresponding period of the immediate preceding financial year

No dividend has been declared for the immediate preceding financial period reported on.

5c Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived

Not applicable

5d The date the dividend is payable

Not applicable

5e The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable

5f If no dividend has been declared/recommended, a statement to the effect and the reason(s) for the decision

As the Group continues to incur losses due to the challenging operating environment, the board of directors of the Company (the "Board") will not be recommending any interim dividend for 1H2022. Liquidity will be conserved to support working capital requirements and carefully assessed growth investments and developments.

6. Interested person transactions

The Group has not obtained a general mandate from shareholders for interested person transactions. There are no interested person transactions of \$100,000 or more in 1H2022.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has procured the undertakings from all its Directors and executive officers as required under Rule 720(1) of the Catalyst Rules.

8. Negative confirmation by the board pursuant to Rule 705(5)

To the best of knowledge of the Board, nothing has come to the attention of the Board which may render the unaudited results of the Group and the Company for 1H2022 to be false or misleading in any material aspect.

JUMBO GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201503401Z)



BY ORDER OF THE BOARD

Tan Cher Liang
Independent Chairman
12 May 2022

Ang Kiam Meng
Executive Director and Group CEO
12 May 2022